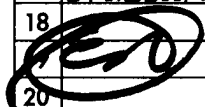


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EXECUTIVE SECRETARIAT
ROUTING SLIP



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17	D/NESA/DI		X		
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SUSPENSE		Date _____			

Remarks

STAT

Executive Secretary

5 Oct '87

Date

3637 (10-81)

S/S 812848Z

S/S 8728498



United States Department of State

Washington, D.C. 20520

Executive Registry

87-3315x/1

October 2, 1987

~~CONFIDENTIAL~~

TO:	OVP	- Mr. Donald P. Gregg
	NSC	- Mr. Grant S. Green, Jr.
	Agriculture	- Mr. Floyd Gaibler
	AID	- Mrs. Gwendolyn Joe
	CIA	
	Commerce	- Mrs. Helen Robbins
	DEA	- Mr. John Lawn
	Defense	- COL William M. Matz, Jr.
	EPA	- Mr. Bill Long
	JCS	- Mr. Larry Sizemore
	Justice	- Mr. John Richardson
	OMB	- Mr. L. Wayne Army, III
	OSTP	- Mr. Jonathan Thompson
	Transportation	- Mrs. Ruth Knouse
	Treasury	- Mr. Robert Zoellick
	USIA	- Mr. Larry Taylor
	USTR	- Amb. Michael Smith

STAT

SUBJECT: Change of Date: SIG on Rajiv Gandhi's Visit

To accommodate the schedule of some of the invitees, we have changed the date of the SIG meeting discussing new initiatives in the Indo-US bilateral relationship. The meeting, delayed by one day, will now be held at 4 p.m. Tuesday, October 6 in the State Department Operations Center conference room (Room 7516).

Melvyn Levitsky
Melvyn Levitsky
Executive Secretary

~~CONFIDENTIAL~~
DECL: OADR



B-607-ik

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

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16	D/Ex Staff	X			
17	D/NESA/DI		X		
18	C/NE/DO		X		
19	NIO/NESA		X		
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21	ER		X		
22					
SUSPENSE		Date _____			

Remarks

To 16: Please inform Executive Secretary of participant(s).

STAT

Executive Secretary

28 Sept 87

Date

3637 (10-81)



United States Department of State

Washington, D.C. 20520

Executive Registry

87-3315X

September 25, 1987

CONFIDENTIAL

TO: OVP - Mr. Donald P. Gregg
 NSC - Mr. Grant S. Green, Jr.
 Agriculture - Mr. Floyd Gaibler
 AID - Mrs. Gwendolyn Joe
 CIA [redacted]
 Commerce - Mrs. Helen Robbins
 DEA - Mr. John Lawn
 Defense - COL William M. Matz, Jr.
 EPA - Mr. Bill Long
 JCS - Mr. Larry Sizemore
 Justice - Mr. John Richardson
 OMB - Mr. L. Wayne Arny, III
 OSTP - Mr. Jonathan Thompson
 Transportation - Mrs. Ruth Knouse
 Treasury - Mr. Robert Zoellick
 USIA - Mr. Larry Taylor
 USTR - Amb. Michael Smith

STAT

SUBJECT: SIG on Rajiv Gandhi's Visit

In preparation for Rajiv Gandhi's October 20 official visit to Washington, Under Secretary Armacost proposes to hold a SIG meeting at 4 p.m. October 5 in the State Department Operations Center conference room (Room 7516) to seek decisions on possible new initiatives in the Indo-US bilateral relationship. The attached paper discusses those initiatives in the context of the visit and indicates those on which we believe discussion is required.

Representation will be principal plus one. Please telephone the names of your agency's representatives to Sharon Ohta (647-8348) by COB September 30.

Melvyn Levitsky
Executive Secretary

Attachment:

as stated

CONFIDENTIAL
DECL: OADR



B-601-11

CONFIDENTIALPrime Minister Rajiv Gandhi's Visit to Washington
Possible Initiatives in Indo-US Relations

The visit will be possibly the last opportunity during this administration to pursue with India at the Head of State/Head of Government level our two-track policy of high-level political dialogue and of broadening and strengthening bilateral relations. This policy has already led to significant improvement in the quality of our dialogue with India and in the overall bilateral relationship.

High-level dialogue: We will press Rajiv on Afghanistan and on the nuclear issue, on which he appears more open minded than some of his advisers. We should stress that resolution of the Afghanistan conflict to create a neutral, non-aligned Afghanistan would decrease superpower tensions in the region -- a line that appeals to the Indians. On nuclear issues, we should solicit Rajiv's views on regional implications of the US-Soviet arms negotiation agreement. Even if we do not have immediate results, we might affect longer-term thinking and influence how India reacts to subsequent events.

Bilateral Relations: We have made substantial progress on the "agenda" for the bilateral relationship set during the Prime Minister's visit in 1985, e.g. with establishment of the U.S.-India Fund, holding of the Festival of India, and extensive cooperation in opposing Sikh terrorism. Accomplishments such as these caused Prime Minister Gandhi to refer to the "tremendous" improvement in bilateral relations in the past two years. We have urged the GOI to act before the visit on three additional items which will further improve the atmosphere -- the supercomputer, the memorandum of understanding pending with the GOI on the Light Combat Aircraft project and our request for data from the Indian INSAT satellite eight times a day for use in the cooperative monsoon research project. We need to reiterate to Gandhi that we hope to expand our defense relationship in the areas of training, visits and exchanges, and technological cooperation.

We need, in addition, to look at a "new agenda" for the relationship. The following, if they could be announced during the visit, would both provide a positive media focus and set tasks for both bureaucracies over the next few years:

- 1) Set a goal of a sizeable increase in bilateral trade, e.g. by 50 per cent over the next five years. US exports to India since 1985 have levelled off at an annual level of \$1.5 billion while U.S. imports from India are running at \$2.5 billion. A favorable exchange rate and vigorous U.S. export promotion should help boost U.S. exports. At the same time, India will need to continue with structural reform and industrial liberalization efforts.

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- 2 -

2) We should agree to extension in principle of the Reagan-Gandhi Science and Technology Initiative, with details to be worked out by scientists but possibly with mention of one or two new areas of work, e.g. superconductivity. Although STI does not expire until 1988, there is unlikely to be an occasion then for the two leaders to discuss the STI. Specifics of the extension need not be addressed now, but there would be agreement in principle that some areas would lapse and others begin.

3) Strengthening of civil aviation relations could be a matter of discussion, depending on the outcome of the September 29-October 1 bilateral civil aviation negotiations in New Delhi.

4) In the context of the beginning of the U.S.-India Fund and anticipated expansion of its expenditures, we should propose:

a) drought-related research, including development of drought resistant crops. A USDA dryland farming team has already identified some projects, which might be funded by a special USIF allocation.

b) environmental research

5) Parliamentary speaker exchange (already in train)

6) Sister states relationships (awaiting GOI action)

7) High-profile narcotics cooperation, including demand reduction techniques.

Drought Aid: While drought aid will not be a major issue in the visit, we should make every effort to inform the GOI before the visit of whatever we can do. Possibilities include:

Section 416 Assistance: This is the only substantial concessional assistance we can provide. We should offer corn under this section, which is grant aid, as soon as possible. Corn is third priority for India (after vegetable oil and dairy products), but still important for use as cattle feed to maintain dairy production.

Pipeline redirection: The GOI is interested in the idea of deobligating some money in the pipeline and reobligating it for drought-related projects. AID needs to pursue this idea within the USG, recognizing that it may be difficult or impossible, especially within the time frame of the visit.

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- 3 -

PL 480: The PL 480 Title I reserve is limited, cannot be obligated at this point and may not be of interest to the GOI. We hope to approve an additional \$7 million of Title II and should encourage the voluntary agencies to make proposals for additional Title II.

Japanese assistance: We are already pressing Japan to act on an Indian request for \$200 million of concessional financing to purchase vegetable oil. We need to explore whether the Department of Agriculture's export enhancement program can be used to enable us to compete for as much of the deal as possible.

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